



GOVERNMENT OF INDIA
DEPARTMENT OF COMMERCE

REPORT OF THE
INDIAN TARIFF BOARD

ON THE
PROTECTION OF THE RUBBER
MANUFACTURING INDUSTRY
(General and mechanical rubber goods)

BOMBAY 1947

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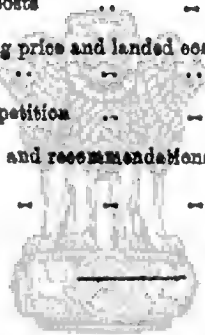
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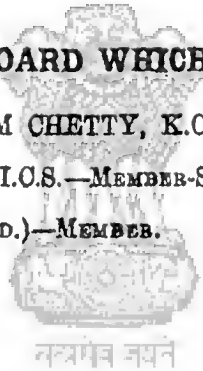
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REPORT ON THE PROTECTION OF THE RUBBER MANUFACTURING INDUSTRY

(GENERAL AND MECHANICAL RUBBER GOODS)

1. The application of the rubber manufacturing industry for protection or assistance was referred to the Board for investigation by Resolution No. 218-T(55)/45 of the Commerce Department, Government of India, dated the 3rd November 1945.

2. Under the terms of reference, which are stated in paragraph 5 of the abovementioned Resolution, the Board has to report whether the industry satisfies the following conditions :—

(1) that it is established and conducted on sound business lines ; and

(2) (a) that, having regard to the natural or economic advantages enjoyed by the industry and its actual or probable costs, it is likely, within a reasonable time, to develop sufficiently to be able to carry on successfully without protection or State assistance ; or

(b) that it is an industry to which it is desirable in the national interest to grant protection or assistance and that the probable cost of such protection or assistance to the community is not excessive. Where a claim to protection or assistance is found to be established, i.e., if condition (1) and condition (2) (a) or (b) are satisfied, the Board has to recommend (i) whether, at what rate and in respect of what articles, or class or description of articles, a protective duty should be imposed ; (ii) what additional or alternative measures should be taken to protect or assist the industry ; and (iii) for what period, not exceeding three years, the tariff or other measures recommended should remain in force. In making its recommendations, the Board has to give due weight to the interests of the consumer in the light of the prevailing conditions and also to consider how the recommendations affect industries using the articles in respect of which protection is to be granted.

3. The Association of Rubber Manufacturers in India applied for the protection of the tyre industry in their letter dated the 14th December 1943 addressed to the Secretary to the Government of India, Department of Industries and Civil Supplies. This was followed up by another letter dated the 28th September 1944 addressed to the Secretary to the Government of India, Department of Commerce. In the second letter, the Association asked for an enhancement of the " existing customs duty by the necessary percentage to compensate for the excise tax levied

on indigenously made tyres". It was on the basis of this application that the case of rubber manufactures for protection or assistance was referred to the Board. When the Board took up the inquiry and issued the questionnaire, the main tyre manufacturers, viz., the Dunlop Rubber Co., the Firestone Rubber Co., the Goodyear Tyre and Rubber Co. and The India Tyre and Rubber Co. in their joint letter dated the 11th March 1946 informed the Board that it was not their intention to apply for protection or assistance at present, but that they would like to reserve the right to approach the Board at a future date if there was any actual or contemplated change in the tariff rates or competitive circumstances. Subsequently, relying on the general assurance given by the Finance Member of the Government of India in his Budget speech for 1946-47 that steps will be taken for the removal of customs duty on raw materials the Dunlop Rubber Co. (India), on behalf of the Association, wrote to the Chairman of the Central Board of Revenue on the 10th May 1946, requesting that the duty on the raw materials for rubber manufactures should be removed as early as possible. On the 8th June 1946, again, they addressed a letter to the Secretary to the Government of India, Department of Commerce, asking for the removal of the excise duty on the locally made tyres introduced as a war-time measure in 1941 and assuring that the benefit of such removal of the duty would be at once passed on to the motoring public. These claims were also remitted to the Board for investigation. On an invitation from the Board to define their exact position regarding the question of protection, two of the representatives of the tyre manufacturers, viz., Mr. Fergusson of Dunlops and Mr. Wenzel of Firestone held a discussion with the Board on the 27th November 1946, and made it clear that the tyre manufacturing industry did not require any protection or assistance at present. This was confirmed in their letter dated the 28th November 1946, in which it was pointed out that the removal of the excise duty on motor tyres and of the customs duty on raw materials had been asked for as a matter of routine approaches based, in the first instance, on the belief that the excise duty was a wartime measure, and in the second instance, on the points covered by the Finance Member's Budget Speech for 1946-47. In view of this withdrawal of the original application for protection submitted by the tyre manufacturers, who constitute by far the largest and most important section of the industry, the Board had to consider whether the inquiry should be proceeded with any further. But in the meantime, the Indian Rubber Industries Association, representing some 60 units, submitted a memorandum to the Board on the 31st January 1946 and asked for a protective duty of 100 per cent. *ad valorem* on all rubber goods till the end of 1949, 75 per cent. till the end of 1952, and 50 per cent. till the end of 1955. A large

number of rubber manufacturing firms also, in their replies to the questionnaire issued by the Board, separately put in their claims for the protection of a great variety of general and mechanical rubber goods. The Board, therefore, decided that the inquiry into the rubber manufacturing industry should be proceeded with so as to cover the general and mechanical rubber goods.

4. The rubber manufacturing industry comprises five main sections, viz., (i) motor tyres and aero tyres, (ii) cycle tyres, (iii) rubber-covered cables, (iv) footwear, and (v) general and mechanical rubber goods. As has been stated earlier, motor tyres, aero-tyres and cycle tyres do not ask for any protection or assistance. The rubber footwear industry also has not applied for protection. The case of rubber-covered cables has already been dealt with by the Board in its report on non-ferrous metals. By the process of elimination, therefore, this inquiry has been confined only to the case of general and mechanical rubber goods. This group, again, can be conveniently divided into the following categories:—

(i) *Hoses*.—Delivery hose, suction hose, pneumatic tool hose; oil resisting hose and acid resisting hose.

(ii) *Moulded goods*.—Hot water bottles, rubber soles and heels.

(iii) *Ebonite goods*.—Solid rods, tubes and sheets.

(iv) *Dipped goods*.—Surgeon's gloves, teats and valves.

(v) *Calendered goods*.—Hospital bed sheeting, insertion sheets, solid rubber sheets and sponge sheets.

(vi) *Spread sheetings*.—Double-faced hospital bed sheeting.

(vii) *Extruded articles*.—Pedal rubbers, brake blocks.

(viii) *Built-up goods*.—Roller coverings and football bladder.

(ix) *Threads*.—Rubber and latex types, braided.

(x) *Floorings*.—Mat pressed, and tiles.

(xi) *Surgical goods*.—Catheters.

5. On the 28th November 1945, the Board issued a press communiqué inviting firms, associations or persons including producers, importers and consumers directly interested in the industry or dependent upon it for their raw materials or semi-manufactured goods, who desired that their views should be considered by the Board, to submit their representations. Later on, a detailed questionnaire was also issued to the various interests concerned. A list of the firms, associations or persons to whom the questionnaire was issued and of those

who replied to it will be found in Appendix I. Mr. Desai and Dr. Dey visited the Cosmos Rubber Factory, Bombay, on the 23rd December 1946. In January 1947, Dr. Dey also visited three factories in Calcutta, viz., National Rubber Manufacturers (till lately A. K. Sarkar), Dunlops and Bengal Waterproof. Mr. O. N. Anand, Cost Accounts Officer attached to the Board, visited the factories of (1) Travancore Rubber Works, Trivandrum, (2) National Rubber Manufacturers, Calcutta, and (3) Bengal Waterproof, Calcutta, in December 1946 and January 1947. Oral evidence of the representatives of producers, consumers and importers was taken at the public inquiry held in Bombay on the 11th March 1947. A list of persons who were present at the public inquiry will be found in Appendix II.

6. The manufacture of rubber goods commenced in India about 1920 with the opening of a factory for the proofing of fabrics. **History of the industry.** It was followed in 1923 by a factory for the production of rubber-covered cables. The real beginning of the industry, however, can be said to have taken place during the 1930's when the International Rubber Restriction Scheme came into force, restricting rubber exports from the main producing countries and thereby gradually bringing about a rapid improvement in the world price of raw rubber. The internal price of rubber in India, however, continued to be low, which provided a considerable advantage to the local rubber manufacturers. Labour in India was also comparatively cheap. Moreover, it was during this period that the large overseas manufacturers of rubber goods began to decentralise their production, some of them establishing their subsidiary factories in India. The Bata Shoe Co. began operations in the country in 1933; the Indian Rubber Manufacturers, Ltd., set up a factory for the production of railway and mechanical rubber goods in 1934; a State-sponsored factory was started in Travancore in 1935; Dunlops started a tyre factory in Bengal in 1935-36; and the Firestone Tyre and Rubber Co. started another tyre factory in Bombay in 1939-40. In addition, a large number of small rubber factories came into being in this period, several with Japanese equipment and technicians, for the production of rubber footwear. There are also a small number of factories for the production of general rubber goods, such as hose, sheeting, cab tyreing, moulded goods and a few others for the manufacture of cycle tyres and tubes on a small scale. Many more small factories were also started on a cottage industry basis. The war led to a great expansion of some of the more important plants, e.g., the tyre factories, the railway and mechanical goods plant, the Bata factories and the cable factories, and also served to put many of the smaller factories on their feet and enabled some of them to improve their installations and extend the range of their products. Some of these smaller firms have produced very large quantities of rubber goods with more or less improvised plants and although the quality of their products has not been up to the standard of the imports, yet it has been acceptable for war requirements and their production has been of great value to the war effort. The industry now consists of some hundred units scattered throughout India including the Indian States, of which some 15 are reported to be first-grade plants.

7. The Director-General of Industries and Supplies, New Delhi, has estimated the demand, maximum production and productive capacity in the country as follows :—

(1) Item of goods.	(2) Estimated demand.	(3) Maximum production achieved.	(4) Total capacity.
Wrapped hoses	5,000,000 ft.	3,500,000 ft. (1:46)	7,000,000 ft.
Dipped goods	300 tons.	100 tons. (1945-46)	400 tons.
Moulded goods	800,000 pieces.	380,000 pieces (1946)	600,000/ 1,000,000 pieces.
Soles and heels	150,000 gross.	16,000 gross. (1946)	2/300,000 gross.
Calendered goods	650 tons.	500 tons. (1945)	1,000/1,200 tons.
Extruded articles	4,000 tons.	300 to 400 tons. (1945-46).	3,000/4,000 tons.
Roller coverings	2,400 Nos.	1,400 Nos. (1946)	2,000/2,400 Nos.
Ebonite rods and tube sheets (second grade).	120 tons.	130 tons. (1944)	150 tons.
Surgical goods	80 tons.	120 tons. (1945).	120 tons.
Proofed fabrics	3,780,000 yds.	1,040,000 yds. (1946)	4,200,000 yds.
Football bladders	1,800,000 pieces.	1,900,000 pieces. (1946)	2,200,000 pieces.

It will be seen from the figures given above that in respect of practically all items of general and mechanical rubber goods, there is more than sufficient capacity in existence to satisfy the requirements of the country at the present time. If in some cases the maximum production achieved so far is much below the capacity of the industry, this is said to be mainly due to the non-availability of essential raw materials, such as, fabrics, steel wires, fittings and chemicals.

8. Raw rubber and most other raw materials and stores required for the industry are available in the country. The only comparative advantages and handicaps of the industry. accelerators, anti-oxidants, carbon blacks, sulphur, pigments, dyestuffs, softeners, mineral rubber and stearic acid. The industry

is also in a favourable position because of the availability of cheap labour and the existence of an extensive and rapidly growing home market. But a majority of the factories require to be equipped with up-to-date machinery. The industry is also weak on the technical side. We think that the rubber manufacturing industry should be regarded as one of the basic industries which has to be properly equipped and placed on a strong and stable basis. We, therefore, recommend that all reasonable facilities should be given to the rubber manufacturers to get the requisite machinery from any part of the world including hard currency countries like U. S. A. Further, in order to improve the technical efficiency of the industry, we recommend (a) that a rubber technological institute should be established by Government at an early date and (b) that in the meantime the services of three or four foreign experts should be secured by Government for providing technical advice to the manufacturers. In this connection, we are informed that such experts might possibly be available from Germany on reasonable terms. Representatives of the manufacturers of water-proof fabrics have complained that they could not keep up the standard of their products due to the lack of proper quality of fabrics. Incidentally, some representatives of the cycle tyre manufacturers have also complained that they cannot go ahead with their expansion programme due to the non-availability of tyre cords of requisite specifications. We suggest that the rubber manufacturers should prepare a consolidated list of their requirements in respect of cords, fabrics and other stores and materials and approach the Government of India Department concerned for the necessary allocation, and while recognising that there is an overall shortage of certain requisite materials like textile fabrics and tyre cords in the country, we recommend that Government should give high priority to the requirements of the rubber manufacturing industry in respect of fabrics and cords. Further, now that the Government demand on account of defence requirements has considerably fallen off, the industry must depend for the sale of its products largely upon the normal requirements of civil life and should build up a strong selling organization for the purpose, which it lacks at present.

9. Considering that this industry practically came into existence during the war and had to contend with serious handicaps for lack of technical personnel, up-to-date machinery and the right quality of stores and materials, it was creditable that the industry was able to manufacture a large variety of general and mechanical rubber goods so as to meet the requirements of defence, railways and industries generally, and that the quality of the products, though admittedly inferior in some cases to that of the imports, was acceptable to the consumers, including the defence services and the railways. We have good reasons to believe that, given proper facilities for re-equipment and technical guidance and supply of essential stores, the industry can in a short time improve the quality of its products to the standard of the corresponding imports.

10. The rates of import duty on the principal categories of general Existing rates of import and mechanical rubber goods are given duty. below :—

Item No.	Name of Article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of		
				The U. K.	A Br. Colony.	Burma.

(i) Hoses generally come under item 39 (1) of the Import Tariff Schedule which is given below :—

39(1)	Rubber tyres and tubes and other manufacture of rubber, not otherwise specified, excluding apparel and boots and shoes.	Revenue	30 per cent ad-valorem.	12 per cent ad-valorem.
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(ii) But pneumatic tool hose, when coming as part of machinery, is assessed under 72(3), which is given below :—

72(3)	Component parts of machinery as defined in Item Nos. 72, 72(1) and 72(2), namely, such parts only as are essential for the working of the machine or apparatus and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose.	Revenue	10 per cent ad-valorem.	..	..	Free.
	Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the machine to which they belong if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable.					

(iii) Battery container and Motor Car fan belts come under item 75(1) of the Import Tariff Schedule, which is shown below :—

75(1)	Motor cars including taxicabs and articles (other than rubber tyres and tubes) adapted for use as parts and accessories thereof, provided that	Preferential revenue.	45 per cent ad-valorem.	35 per cent ad-valorem.	..	24 per cent ad-valorem.
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Item No.	Name of Article.	Nature of duty.	Standard rate of duty.	Preferential rate of duty if article is the produce or manufacture of		
				The U. K.	A Br. Colony.	Burma.
75(1)- <i>conid.</i>	such articles as are ordinarily also used for other purposes than as parts and accessories of motor vehicles included in this item or in Item Nos. 75(2) and 75(3) shall be dutiable at the rate of duty specified for such articles.					

(iv) Football bladders, squash balls and children's plyballs are governed by item 84; which is given below:—

84	Toys, games, playing cards and requisites for games and sports bird shot, toy cannons, air guns and air pistols for the time being excluded in any part of British India from the operation of all the prohibitions and directions contained in the Indian Arms Act, 1878, and bows and arrows.	Revenue	60 per cent <i>ad-valorem</i>	12 per cent <i>ad-valorem</i> .
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11. The following information has been furnished by our Technical Adviser, Mr. Minahan.
C. i. f. prices and landed costs.

(1) *Hoses.*

Item	Unit	C.I.F. Price	Duty (30%)	Landing & Clearing Charges (1½%)	Landed Cost	
					Without duty	With duty
		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
<i>Delivery Hose (Unarmoured)</i>						
½" × 2 Ply. ..	Foot	0 7 4	0 2 2	0 0 1	0 7 5	0 9 7
1½" × 4 Ply. ..	"	1 6 11	0 6 10	0 0 4	1 7 3	1 14 1

(1)—Hoses—concl'd.

Item	Unit	C.I.F. Price	Duty (30%)	Landing & Clearing Charges (1½%)	Landed Cost	
					Without duty	With duty
<i>Suction Hoses.</i>		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
2" × 4 Ply. ..	Foot	2 9 6	0 12 5	0 0 8	2 10 2	3 6 7
4" × 6 Ply. ..	"	7 9 1	2 4 4	0 1 10	7 10 11	9 15 3
<i>Acid Resisting Hoses.</i>						
½" × 2 Ply. ..	"	0 6 0	0 1 10	0 0 1	0 6 1	0 7 11
1" × 4 Ply. ..	"	1 11 5	0 8 3	0 0 5	1 11 10	2 4 1
<i>Pneumatic Tool Hoses.</i>						
½" × 7 Ply. ..	"	1 5 6	0 2 2 (10%)	0 0 4	1 5 10	1 8 0
<i>Oil Resisting Hoses.</i>						
2" × 4 Ply. ..	"	3 14 4	1 2 8	0 0 11	3 15 3	5 1 11
<i>Radiator Hoses.</i>						
1½" × 3 Ply. ..	"	0 15 0	0 4 6	0 0 3	0 15 3	1 3 9
(2) Moulded goods.—Duty (36%)						
Motor Car Fan Belts. Ford and Chevrolet. D. 274 (Car and Truck).	Each	2 15 3	1 1 0	0 0 8	2 15 11	4 0 1
(3) Battery containers.						
SV-13 plate ..	Each.	6 14 8	2 7 10	0 1 8	7 0 4	9 8 2

12. Three factories were selected for the purpose of cost investigation, viz., Travancore Rubber Works, Trivandrum, Bengal Waterproof Works, Calcutta, and National Rubber Manufacturers (till lately A. K. Sarkar, Ltd.), Calcutta. All these three firms in their replies to the questionnaire had asked for protection. When, however, our Cost Accounts Officer went to Travancore, he was told by the management of the factory that they did not require any protection at present, but they agreed to allow two items to be costed, viz., delivery hose and

suction hose. Later on, when the Cost Accounts Officer proceeded to Calcutta, he was informed by the management of Bengal Waterproof Works that they did not require any protection for the time being though they would require certain general facilities from Government. Their cost was, therefore, not investigated. The management of the National Rubber Manufacturers, Ltd., informed the Cost Accounts Officer that though they manufactured a large variety of items of rubber goods, they apprehended competition only in respect of six types of hose, motor car fan belts and battery containers. In view of the fact that two out of the three factories selected for cost investigation, definitely said that they did not require protection for any of the large variety of items manufactured by them and also in view of the fact that the third factory was able to compete with the imports in respect of all items, except a few, it would be proper to conclude that there is no case for the protection of this section of the Indian rubber manufacturing industry (general and mechanical rubber goods). This conclusion is re-inforced by the result of a comparison between the estimated fair selling prices of certain selected items of rubber goods and the landed costs of corresponding imports. As the firms concerned have wished that their cost data should be treated as confidential, the details of the estimates of costs are not given in this report. The comparative prices of imports and indigenous products are given below :—

COMPARATIVE STATEMENT OF FAIR SELLING PRICES OF INDIAN MANUFACTURES AND LANDED COSTS OF IMPORTS.

	Delivery Hose		Suction Hose		Acid Resisting Hose		Pneumatic Hose		Oil Resisting Hose		Radiator Hose		Fan Belts (moulded goods)		Battery container (Ebonite goods)	
	1½" x 2 ply. per ft.	1½" x 4 ply. per ft.	2" x 4 ply. per ft.	4" x 6 ply. per ft.	1½" x 2 ply. per ft.	1" x 4 ply. per ft.	1½" x 7 ply. per ft.	2" x 4 ply. per ft.	1½" x 3 ply. per ft.	Each	6 volt x 13 plate Each	2 4 8	2 4 8	7 0 4	2 7 10 (36%)	9 8 2
Fair selling price (Firm A)	0 7 3	0 15 8	2 5 6	4 5 10	0 9 1	1 0 10	0 12 1	2 9 7	0 12 7	2 4 8	8 14 11	..	..	..	..	..
Fair Selling price (Firm B)	0 5 9	0 11 8	1 8 11	3 10 5	..	..	..	..	..	..	..	..	..	..	..	..
Landed cost without duty	0 7 5	1 7 3	2 10 2	7 10 11	0 6 1	1 11 10	1 5 10	3 15 3	0 15 3	2 15 11	7 0 4	..	..	..	..	..
Duty (30%)	0 2 2	0 6 10	0 12 5	2 4 4	0 1 10	0 8 3	0 2 2 (10%)	1 2 8	0 4 6	1 1 0 (36%)	2 7 10	..	..	..	..	..
Landed cost with duty (1946)	0 9 7	1 14 1	3 6 7	9 15 3	0 7 11	2 4 1	1 8 0	5 1 11	1 3 9	4 0 11	9 8 2	..	..	..	..	..

Interest at 4 per cent. on the working capital and return at 10 per cent. on the block, together with the other normal items, are included in the fair selling price. So far as the price of raw rubber is concerned, we were informed that, pending the institution of the proposed Rubber Control (*vide* Rubber Production and Marketing Bill 1947), the price has been fixed at 78 cents per lb. We were, however, advised that, for the next two or three years, it would be safe to allow a rate of 87.5 cents or 14 annas per lb. inclusive of freight, handling charges, etc., and this has been done. The estimates of fair selling prices are based on the data supplied by the management of each of the two factories costed, which, however, could not at all be checked by reference to their financial books. It must also be mentioned that the costs of production in the Calcutta factory were based on the actual production of only one month, *viz.*, December 1946, because the factory had recently changed hands and could not supply cost data for any other period. On account of these unusual features, the estimates of fair selling prices lose much of their value and could not be accepted by the Board as determining the measure of protection that might be necessary. Even if they are accepted for what they are worth, they do not, by comparison with the landed costs of imports, indicate the necessity for any protection. It will be seen that in respect of 9 out of the 11 items in the list, the fair selling prices of the Indian products are lower than the landed costs without duty of the corresponding imports. It will also be noted that in the cases of 6 out of these 9 articles, the fair selling prices of indigenous articles are considerably less than the landed costs of imports without duty. In respect of two items only, *viz.*, acid resisting hose $\frac{1}{2}'' \times 2$ ply and battery container, the fair selling prices of the indigenous products are somewhat higher than the landed costs without duty of the imported articles. Taking all the items together and considering that the fair selling prices of the Indian-made rubber goods have been estimated on the basis of cost data supplied by the factory managements, which could not be checked by the Cost Accounts Officer by reference to their financial books, and further that the estimates in the case of the Calcutta factory were based on the cost data of only one month for which the new management had run the factory, it can be said definitely that the indigenous industry has no competition to fear from imports, and therefore does not require any protection at the present time.

13. As will be seen from the statistics of imports given in Appendix III, the main pre-war competition in general rubber goods so far as imports are concerned was from U.K., Japan, Germany and U.S.A. in the order named. Japan and Germany may be left out of account for the next two or three years. In so far as U.K. is concerned, we are informed on reliable authority that, while there is no fear of competition from that source during 1947, imports may increase appreciably in 1948 and still more in 1949. In so far as U.S.A. is concerned, though the country has now a very much expanded capacity, continued labour trouble has impeded its conversion to peacetime production as quickly as was originally anticipated. But when its full capacity becomes effective, there would be a big surplus

available for export and quite possibly a large part of the surplus may find its way into India. In this case also, therefore, there may be no serious competition in 1947, but competition may be severe from 1948 onwards. It would thus follow that though there may be no serious competition from the chief exporting countries in 1947, the situation may change to the detriment of the Indian rubber industry from 1948 onwards. It is, therefore, important that the industry, while improving its efficiency, should at the same time carefully watch the state of competition and collect data of import prices, so that, as soon as competition is seen to have become serious enough to jeopardise its stability, it may apply to Government for a reconsideration of its case.

14. Our conclusions and recommendations may be summed up as
Summary of conclusions follows:—
and recommendations.

(i) In respect of practically all the items of general and mechanical rubber goods there is more than sufficient capacity in existence to satisfy the requirements of the country. (Paragraph 7).

(ii) A majority of the factories require to be equipped with up-to-date machinery. We recommend that all reasonable facilities should be given to the rubber manufacturers to get the requisite machinery from any part of the world including hard currency countries like U.S.A. (Paragraph 8).

(iii) The industry is weak on the technical side. We recommend that a rubber technological institute should be established by Government at an early date and that, in the meantime, the services of three or four foreign experts should be secured by Government for providing technical advice to the manufacturers. (Paragraph 8).

(iv) Some of the manufacturers of waterproof fabrics cannot keep up the standard of their products due to the lack of proper quality of fabrics. Incidentally, some of the cycle tyre manufacturers are also reported to be unable to go ahead with their expansion programme, due to the non-availability of tyre cords of requisite specifications. (Paragraph 8).

(v) We suggest that the rubber manufacturers should prepare a consolidated list of their requirements in respect of cords, fabrics and other stores and materials and approach the Government of India Department concerned for the necessary allocation. (Paragraph 8).

(vi) While recognizing that there is an overall shortage of certain requisite materials like textile fabrics and tyre cords in the country, we recommend that Government should give high priority to the requirements of the rubber manufacturing industry in the allocation of fabrics and cords. (Paragraph 8).

(vii) Though the quality of general and mechanical rubber goods produced in the country is admittedly inferior in some cases to that of the imports, it has been acceptable to the consumers including the defence services and the railways. (Paragraph 9).

(viii) Given proper facilities for re-equipment and technical guidance and supply of essential stores, the industry can in a short time improve the quality of its products to the standard of the imports. (Paragraph 9).

(ix) Two of the three factories selected for cost investigation definitely stated that they did not require protection for any of the large variety of items manufactured by them and the third factory also stated that it was able to compete with the imports in respect of all items, except a few, which by itself would show that there is hardly any case for the protection of this section of the Indian rubber manufacturing industry (general and mechanical rubber goods). (Paragraph 12).

(x) A comparison of fair selling price and landed cost also indicates that there is no necessity for protection at present. (Paragraph 12).

(xi) Though there may be no serious competition from the chief exporting countries in 1947, the situation may change to the detriment of the Indian industry from 1948 onwards. (Paragraph 13).

(xii) It is important that the industry, while improving its efficiency, should at the same time carefully watch the state of competition and collect data of import prices, so that, as soon as competition from imports is seen to have become serious enough to jeopardise its stability, it may apply to Government for a reconsideration of its case. (Paragraph 13).

15. The Board wishes to express its thanks to Mr. D. J. Minahan, Technical Adviser, and Mr. A. K. M. Pillai of the Department of Industries and Supplies, Government of India, for their valuable help and advice, Mr. O. N. Anand, Cost Accounts Officer, for investigating the costs, and Rai Sahib S. C. Aggarwal, Deputy Secretary, Dr. Rama Varma, Assistant Secretary, and the Office staff, for assistance in connection with the inquiry. The Board is also grateful to Dunlops, Calcutta, for sparing their Officer, Mr. Minahan, to advise it on technical matters despite inconvenience to themselves caused by his frequent and long periods of absence.

नमः शानमुक्कम चट्टी

SHANMUKHAM CHETTY—*President.*

C. C. DESAI—*Member-Secretary.*

H. L. DEY—*Member.*

S. C. AGGARWAL—*Deputy Secretary.*

BOMBAY ;
The 2nd April 1947. }

APPENDIX I.

(Vide PARAGRAPH 5)

List of firms, associations or persons to whom the questionnaire was issued and of those who replied to it:

	Whether replied or not.
PRODUCERS:	
1. The Nagpur Rubber Industry, Nagpur	Yes
2. The Pioneer Rubber Mills, Sialkot	"
3. The Travancore Rubber Works, Trivandrum	"
4. Hindustan Rubber Works Ltd., Calcutta	"
5. United Rubber Industries, Wazirabad	"
6. The Cosmos Rubber Industries Ltd., Dadar, Bombay	"
7. Sri Krishna Rubber Works, Virar, Bombay	"
8. American Rubber Mills, Sialkot City	"
9. National Rubber Manufacturers, Ltd. (till lately A. K. Sarkar), Calcutta	"
10. The National India Rubber Works, Ltd., Sialkot City	"
11. Hindustan Tyre Ltd., Bombay	"
12. Ramlal Rubber Manufacturing Co., Worli, Bombay	"
13. Randerian Rubber & Chemical Works, Delhi	"
14. Swastik Rubber Products, Poona	"
15. Prabhat Rubber Works, Bombay 2	"
16. Associated Industries Ltd., Bhavnagar	"
17. Kale Rubber Works Ltd., Bombay	Not replied.
18. Northland Rubber Mills Ltd., Sialkot City	"
19. Popular Rubber Works, Lahore	"
20. India Latex Industry, Mochi Gate, Lahore	"
21. Mysore Rubber Factory, Mysore State	"
22. Aspinwal & Co. (Travancore Ltd.), Alleppey	"
23. Tropex Rubber Co., 453, Kalbadevi Road, Bombay	"
24. Sind Auto Engineering Co., Karachi	"
25. Star Tyre Service Co., Mount Road, Madras	"
26. Modern Rubber Mfg. Co., Fort, Bombay	"
27. Vasudev Pandurang Aroskar, Vile Parle, Bombay	"
28. The Northern India Industries Ltd., Sialkot City	"
29. B. B. S. Jain Rubber Mills, Lilooah, Howrah	"
30. The Indian Rubber Goods Mfg. Co., Calcutta	"
31. Indian Cable Co. Ltd., Hare St., Calcutta	"
32. National Insulated Cable Co., Ltd., Calcutta	"
33. Bata Shoe Co. Ltd., Batanagar, 24 Parganas, Bengal	"
34. Kohinoor Rubber Works, Ltd., Calcutta	"
35. United Rubber Works, Calcutta	"
36. Central Rubber Works, Calcutta	"
37. East India Rubber Works, Calcutta	"

Whether replied
or not.

PRODUCERS—*concl'd.*

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|---|----|----|----|--------------|
| 38. Assam Bengal Rubber Works, Calcutta | .. | .. | .. | Not replied. |
| 39. Janda Rubber Mfg. Co., Garden Road, Bombay | .. | .. | .. | " |
| 40. The Universal Rubber Works, Wadi Bunder, Bombay 9 | .. | .. | .. | " |
| 41. Bengal Waterproof Works (1940) Ltd., Calcutta | .. | .. | .. | " |

IMPORTERS :

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|--|----|----|----|--------------|
| 1. The Leyland & Birmingham Rubber Co. (India) Ltd., 12 Mission Row, Calcutta | .. | .. | .. | Replied. |
| 2. The India Rubber, Gutta Percha & Telegraph Works Co. Ltd., Post Box 144, Calcutta | .. | .. | .. | " |
| 3. J. H. Fenner & Co. (India) Ltd., Calcutta | .. | .. | .. | Not replied. |
| 4. Mather & Platt Ltd., 7 Hare Street, Calcutta | .. | .. | .. | " |
| 5. Indian General Navigation and Railway Co., Ltd., Post Box 157, Calcutta | .. | .. | .. | " |

CONSUMERS :

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|--|----|----|----|--------------|
| 1. The Lakshmi Sports Co., Sialkot City | .. | .. | .. | Replied. |
| 2. D. Srinivasan & Co., 9 Wall Tax Road, Madras 3 | .. | .. | .. | " |
| 3. Allied Agencies, Outside Delhi Gate, Lahore | .. | .. | .. | " |
| 4. The Gramophone Co., Ltd., P. B. No. 48, Calcutta | .. | .. | .. | Not replied. |
| 5. Jessop & Co., Ltd., 93, Clive Street, Calcutta | .. | .. | .. | " |
| 6. Alliance Jute Mills Co., Ltd., 2 Hare Street, Calcutta | .. | .. | .. | " |
| 7. Burn & Co., Ltd., P.B. No. 2, Howrah | .. | .. | .. | " |
| 8. Mackinnon Mackenzie & Co., P.B. 163, Calcutta | .. | .. | .. | " |
| 9. Shaw Wallace & Co., 4 Bankshall Street, Calcutta | .. | .. | .. | " |
| 10. The Indian Iron and Steel Co., Ltd., Chasnalla Colliery, P.O. Pathardihi (E. I. Railway) | .. | .. | .. | " |
| 11. Purna Chandra Das & Sons, 12 Clive Street, Calcutta | .. | .. | .. | " |

ASSOCIATIONS :

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|---|----|----|----|--------------|
| 1. Indian Rubber Industries Association, Bombay | .. | .. | .. | Replied. |
| 2. Association of Rubber Manufacturers in India, Calcutta | .. | .. | .. | Not replied. |

APPENDIX II.

(Vide PARAGRAPH 5).

*List of persons who were present at the public inquiry.*I. *Manufacturers :*

Mr. Jog and Mr. Wazalwar	Representing ..	The Nagpur Rubber Industry, Nagpur.
Mr. G. Gangadharan ..	..	Hindustan Tyres, Ltd., Bombay.
Mr. W. S. Desai ..	..	Swastik Rubber Products, Poona.
Mr. Lalit Mohan Jamnadas	..	{ 1. The Cosmos India Rubber Works, Ltd., Bombay. 2. Indian Rubber Industries Association, Bombay.
Mr. Prem Chand ..	..	Associated Industries, Ltd., Bhavnagar.
Mr. D. Bannerjee ..	..	National Rubber Manufactures Ltd., Calcutta.
Mr. M. Desai ..	..	Ramlal Rubber Manufacturing Co., Bombay.
Mr. Dass ..	..	Bengal Waterproof Works (1940) Ltd., Calcutta.

II. *Growers' Interests :*

Mr. Parambil Lonappan ..	..	The Rubber Growers' Association, Kottayam, Travancore.
Mr. A. V. Thomas ..	..	Do.

III. *Importers :*

Mr. E. R. Park	{ 1. Leyland and Birmingham Rubber Co. (India) Ltd., Calcutta. 2. The India Rubber, Gutta Percha & Telegraph Works Co., Ltd., Calcutta. 3. J. H. Fenner & Co. (India) Ltd., Calcutta. 4. Lewis and Tylor Ltd., Calcutta. 5. Balmer Lawrie & Co., Ltd., Calcutta. 6. Kilburn & Co., Calcutta. 7. Roberts McLean & Co., Ltd., Calcutta.
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IV. *Consumers :*

Mr. R. C. Laliwalla	The Western India Manufacturers Agencies, Ltd., Bombay.
Mr. S. D. Daruwalla ..	..	M/s. Sorabji D. Daruwalla, Round Building, Bombay.
Mr. J. M. Brand ..	..	M/s. Symonds & Co., Bombay.
Mr. K. G. Parameswaran ..	..	The Standard Batteries Ltd., Bombay.
Mr. R. C. Jain ..	..	Allied Agencies, Outside Delhi Gate, Lahore.
Mr. L. D'Mellow, Assistant Collector of Stores ..	..	G. I. P. Railway.
Mr. F. J. Vachha, Superintendent of Stores ..	..	B. B. & C. I. Railway.

APPENDIX III.

(Vide PARAGRAPH 13).

Statistics relating to imports of general and mechanical rubber goods.

I. VALUE OF IMPORTS FROM:—		36-37	37-38	38-39	39-40	40-41	41-42	42-43	43-44	44-45	45-46
1. U. K.	..	10.17	13.03	11.03	8.17	8.78	10.61	5.45	1.28	..	..
2. Burma	..	..	0.21	0.14	0.03	0.08	0.13	0.01	..	..	..
3. Straits Settlements	..	0.45	0.39	0.45	0.65	1.86	4.42	..	..	..	..
4. Canada	..	0.13	0.40	0.52	1.11	1.70	1.96	0.35	..	..	..
5. Commonwealth of Australia	..	0.16	..	..	0.01	0.04	1.44	..	0.28	..	..
6. Germany	..	4.06	5.97	7.02	3.76	0.02	..	..	..	..	..
7. Japan	..	6.91	6.96	4.95	7.33	7.58	1.59	..	..	..	..
8. U. S. A.	..	5.18	5.83	2.77	3.73	6.09	6.23	1.81	0.39	..	..
9. Other Countries	..	0.65	0.66	0.60	0.27	0.05	1.04	1.15	0.35	..	..
Total	..	24.08*	33.45	27.48	25.78	28.20	27.42	8.77	2.77	10.61	7.41

(* Excluding imports into Burma).

Notes:—[Import statistics of rubber goods are only shown separately under the following headings in the Sea-borne Trade Accounts.

1. Pneumatic Motor Covers and Tubes.
2. Pneumatic Motor Cycle Covers and Tubes.
3. Pneumatic Cycle Covers and Tubes.
4. Solid Rubber Tyres for motor vehicles.
5. Apparel and boots and shoes.
6. Other Rubber Manufactures.

Evidently "other rubber manufactures" include general and mechanical roller goods. But it is not clear whether all general and mechanical rubber goods are included in the "other manufactures". Because in the Customs Tariff Schedule several items coming as parts of machinery or as sports goods are shown under different items for purposes of duty. Similarly in the Sea-borne Trade Accounts also, items coming as parts of machinery might have been shown under these headings rather than under the heading "other rubber manufactures."

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